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**CENTRAL FIRE PROTECTION DISTRICT NO. 4
CITY OF BATON ROUGE
PARISH OF EAST BATON ROUGE, LOUISIANA
COMPONENT UNIT FINANCIAL STATEMENT
AND NIGHT NIGHT AUDITOR'S REPORT
YEAR ENDING DECEMBER 31, 2000**

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the public and other responsible public officials. The report is available for public inspection at the Baton Rouge Office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 01/15/01

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Central Fire Protection District No. 4
Baton Rouge, Louisiana

I have audited the accompanying general purpose financial statements of the Central Fire Protection District No. 4, a component unit of the City of Baton Rouge/Parish of East Baton Rouge as of December 31, 2000, and for the year then ended. These component unit financial statements are the responsibility of the Central Fire Protection District No. 4 management. My responsibility is to express an opinion on these component unit financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the Central Fire Protection District No. 4, as of December 31, 2000 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated March 21, 2001 on my consideration of Central Fire Protection District No. 4's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Kurtis Johnson CPA AAA

March 21, 2001

**CENTRAL FIRE PROTECTION DISTRICT NO. 3
CITY OF BAKERSFIELD
FINANCIAL STATEMENTS
ALL FUND TYPES AND ACCOUNT GROUPS**

Balance Sheet December 31, 2000

	GOVERNMENTAL		ACCOUNT GROUPS		Totals (Non-subsidiary Only)	
	Fund Type	General Fund	General	Long-Term		
			Fund	Assets		Debt
ASSETS AND OTHER DEBITS						
Assets						
Current Assets:						
Cash and cash equivalents (Note 3)	\$	204,807	\$	-	\$	204,807
Property taxes receivable - Net (Note 4)		184,733		-		184,733
Due from other governments (Note 4)		303,536		-		303,536
Loan charges receivable - Net (Note 4)		87,828		-		87,828
Other receivables and prepaid amounts		68		-		68
Fixed Assets:						
Land and buildings		-	1,014,143	-		1,014,143
Equipment		-	1,279,634	-		1,279,634
Equipment under capital leases		-	411,604	-		411,604
Other Debits:						
Amounts due provided for retirement of long term debt		-	-	406,800		406,800
TOTAL ASSETS AND OTHER DEBITS	\$	589,233	\$	1,494,577	\$	1,889,587
LIABILITIES, EQUITY, AND OTHER CREDITS						
Current Liabilities:						
Accounts payable	\$	9,193	\$	-	\$	9,193
Accrued expenses and benefits payable		29,813		-		29,813
Long-term Liabilities:						
Net Pension Obligation (Note 10)		-	-	8,800		8,800
Compensated absences payable (Note 10)		-	-	73,134		73,134
Obligation under capital leases (Note 10)		-	-	124,066		124,066
Total liabilities		<u>49,006</u>		<u>205,900</u>		<u>254,906</u>
Equity and other credits:						
Investment in general fixed assets		-	1,711,270	-		1,711,270
Fund balances:						
Unreserved						
Undesignated		<u>111,006</u>	<u>-</u>	<u>-</u>		<u>111,006</u>
Total equity and other credits		<u>111,006</u>	<u>1,711,270</u>	<u>-</u>		<u>1,822,276</u>
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$	160,112	\$	2,717,370	\$	2,889,587

**CENTRAL FIRE PROTECTION DISTRICT NO. 4
CITY OF EAST BATON ROUGE
PARISH OF EAST BATON BOULE, LOUISIANA
ALL FUNDS, TRUSTS AND ACCOUNT GROUPS**

**Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended December 31, 2022**

REVENUES	General Fund	Total (Memorandum Only)
All other revenues	\$ 488,770	\$ 488,770
Fire protection user charges	304,054	304,054
Intergovernmental revenues	230,181	230,181
Interest earnings	17,848	17,848
Other	8,287	8,287
Total revenues	<u>1,031,000</u>	<u>1,031,000</u>
EXPENDITURES		
Salaries and related benefits	838,298	838,298
Repairs and maintenance	23,874	23,874
Legal and professional	14,372	14,372
Rentals - fire equipment	15,563	15,563
Insurance	33,268	33,268
Supplies	81,098	81,098
Utilities	21,362	21,362
Capital outlay	48,007	48,007
Debt service	33,038	33,038
Other	58,910	58,910
Total expenditures	<u>1,054,220</u>	<u>1,054,220</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>186,800</u>	<u>186,800</u>
OTHER FINANCING SOURCES		
Proceeds from sale of general fixed assets	1,000	1,000
Total other financing sources	<u>1,000</u>	<u>1,000</u>
OTHER FINANCING USES		
Principal retirement on capital lease	85,038	85,038
Total other financing uses	<u>85,038</u>	<u>85,038</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>102,762</u>	<u>102,762</u>
FUND BALANCES BEGINNING OF YEAR	888,558	888,558
FUND BALANCES AT END OF YEAR	<u>\$ 771,000</u>	<u>\$ 771,000</u>

**GENERAL FIRE PROTECTION DISTRICT NO. 4
CITY OF EAST BATON ROUGE
PARISH OF EAST BATON ROUGE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS**

**Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
Versus Actual Basis and Actual - Change of Fund
Year ended December 31, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable Unfavorable</u>
REVENUES			
Ad valorem taxes	\$ 411,800	\$ 488,120	\$ 88,720
Fire protection user charge	280,800	384,880	104,880
Intergovernmental revenues	210,200	230,181	19,981
Interest earnings	0,000	11,849	11,849
Other	7,000	9,381	2,381
Total revenues	<u>\$909,800</u>	<u>1,124,390</u>	<u>214,590</u>
EXPENDITURES			
Salaries and related benefits	506,800	530,288	23,488
Repairs and maintenance	42,800	10,874	31,926
Legal and Professional	18,000	14,373	3,626
Postage - fire systems	18,000	19,883	1,883
Insurance	34,800	32,288	2,512
Supplies	64,800	87,888	23,088
Utilities	28,000	21,383	6,616
Capital outlay	64,000	48,807	15,193
Debt service	404	23,838	23,434
Other	83,720	18,870	64,850
Total expenditures	<u>\$847,124</u>	<u>\$899,600</u>	<u>52,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$62,676</u>	<u>224,790</u>	<u>162,114</u>
OTHER FINANCING SOURCES			
Proceeds from sale of general fund assets	\$	1,600	1,600
Total other financing sources	<u>\$</u>	<u>1,600</u>	<u>1,600</u>
OTHER FINANCING USES			
Principal retirement on capital lease	\$2,000	65,000	63,000
Total other financing uses	<u>\$2,000</u>	<u>\$67,000</u>	<u>\$65,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$</u>	<u>159,390</u>	<u>159,390</u>
FUND BALANCES BEGINNING OF YEAR	\$ 545,000	\$ 668,000	\$ 123,000
FUND BALANCES AT END OF YEAR	<u>\$ 545,000</u>	<u>\$ 827,390</u>	<u>\$ 282,390</u>

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2000**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FORMATION AND OPERATIONS

Central Fire Protection District No. 4 is a component unit of the City of Baton Rouge, Parish of East Baton Rouge, Louisiana (the City/Parish). A five-member board governs the District. The board members are appointed by the City/Parish and are not compensated.

Pursuant to an intergovernmental agreement between the City/Parish and the District effective January 1, 1996, the District became a separate operational unit acting independently from the City/Parish. Prior to January 1, 1996, the District operated within the City/Parish system.

The purpose of the District is to provide Fire Protection for the citizens of the District. The District serves approximately 24,000 individuals. The District employs approximately eleven permanent full-time employees and twelve - fifteen permanent part-time employees. It also employs temporary employees as needed. A substantial portion of the services is provided through volunteers. No value is attributed to the volunteer services in the accompanying financial statements.

II. BASIS FOR PRESENTATION

The accompanying financial statements of the Central Fire Protection District No. 4 as of December 31, 2000 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

C. REPORTING ENTITY

As the governing authority, for reporting purposes, the City of Baton Rouge/Parish of East Baton Rouge (City/Parish) is the primary financial reporting entity. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City/Parish for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. Because the City/Parish Metropolitan Council appoints the District's governing body and

- (1) has the ability to impose its will on the District, and
- (2) the District has the potential to provide specific financial benefits to or impose specific financial burdens on the City/Parish,

the District was determined to be a component unit of the City/Parish. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the City/Parish, the general government services provided by that governmental unit, or the other general governmental units that comprise the financial reporting entity.

D. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions and activities.

The General Fund is the principal fund of the District and is used to record all financial resources not required to be accounted for in a capital projects fund.

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Capital Projects Fund is used to account for financial resources received and used for the purpose of building and equipping a new fire station. There were no capital projects in process during 2000.

E. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. Revenues are recognized in the accounting period in which they become available and measurable as net current assets.

Property taxes and user charges are considered measurable in the calendar year of the tax levy and user charge assessment. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. Transfers between funds that are not expected to be repaid are accounted for as other financing sources (out). They are recorded at the time the transfer is made.

F. BUDGET

The budget was prepared and approved by the board in 1999. There were three amendments to the 2000 budget. The Board of Commissioners approved the amendments in November 2000.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance presents comparisons of the legally adopted budget with actual data. Because accounting principles applied for purposes of developing data on a budgetary basis differs significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of residual basis, timing, perspective, and entity differences in the records of revenues and other sources of financial resources, expenditures and other uses of financial resources for the year ended December 31, 2000 is presented below:

	General Fund
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (budgetary basis)	\$ -0-
Adjustments:	
To adjust revenues for accounts	
Property taxes	15,570
User charges	1,363
To adjust expenditures for accounts	
Salaries	(504)
Interest on capital leases	(19,945)
State officials' retirement	1, 588
Budgeted Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources (GAAP basis)	<u>\$ 1,162</u>

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

G. INCURRANCES

The District does not use an encumbrance system of accounting. The books are kept on the cash basis, and the financial statements are prepared on the modified accrual basis of accounting.

H. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits and time deposit accounts. The District considers short-term (maturity of 90 days or less), highly liquid investments as cash equivalents. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana.

I. FIXED ASSETS

Fixed assets are recorded as expenditures at time of purchase, and the related assets are capitalized (properly) in the general fixed assets group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. No depreciation has been provided on general fixed assets. Assets over \$500 are capitalized.

The District does not own any infrastructure assets.

J. COMPENSATED ABSENCE

The District's policies relating to vacation and sick leave and "comp. time" is summarized as follows: Annual leave is determined by the number of years of service and accrues each pay period. Accrued annual leave is carried over from year to year up to a maximum of 1,000 hours for employees "grandfitted" under the policy which was in effect at December 31, 1999. During 1998, the Board of Commissioners approved a policy that would allow employees hired after implementation to carry over a maximum of 72 hours.

In some cases employees can use "comp. time" in lieu of overtime. For each hour worked over the scheduled hours, the employee earns 14 hours of "comp. time". No cash payment is made for unused sick time.

K. LONG-TERM OBLIGATIONS

Long-term obligations, including compensated absences, net pension obligation and capital leases, expected to be financed from governmental funds, are reported in the general long-term debt account group.

L. FUND BALANCE

Fund balances consist of undesignated balances as well as the following:

- (1) **Reserves:** Reserves represent those portions of fund equity not appropriate for expenditures or legally obligated for a specific future use. There were no reserved amounts at December 31, 2000.
- (2) **Designated Fund Balances:** Designated fund balances represent amounts plans for future use of financial resources. There were no designated amounts at December 31, 2000.

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. TOTAL COLUMN ON STATEMENTS

The total columns on the statements are captioned "Monetary Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At December 31, 2008, the District has cash and cash equivalents as follows:

	Bank Balances	Bank Balances
Certificates of deposit	\$118,479	\$118,479
Interest-bearing demand deposits	126,471	126,471
Total	<u>\$244,950</u>	<u>\$244,950</u>

These bank balances are stated at cost, which approximates market. Under state law, federal deposit insurance on the pledge of securities issued by the fiscal agent bank must secure these bank balances. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2008, the District had \$126,150 in deposits (collected bank balances). These deposits are secured from risk by \$600,000 of federal deposit insurance and approximately 14% (94% of pledged securities held by the trust department of the fiscal agent bank (24.53 Category 3).

Even though the pledged securities are considered uncollateralized (category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1219 imposes a statutory requirement on the trust department of the fiscal agent bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

The District does not have any investments other than the cash deposits shown in the financial statements under cash and cash equivalents.

4. RECEIVABLES AND DUE FROM OTHER GOVERNMENTS

The following is a summary of receivables at December 31, 2008:

	Property Taxes	User Charges	Due from Other Governments
Amounts receivable	\$182,119	\$194,019	\$221,500
Less estimated uncollectible amounts	<u>(25,000)</u>	<u>(10,000)</u>	<u>—</u>
Net property tax receivable	<u>\$157,119</u>	<u>\$184,019</u>	<u>\$221,500</u>

The difference represents taxes and user charges not expected to be collected within the next year.

Due from other governments consists of property taxes collected by the sheriff's office, but not yet remitted to the District.

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2000**

5. CHANGES IN GENERAL FIXED ASSETS

	Equipment		Land	Buildings	Totals
	Lease	Equipment			
Balance at December 31, 1999	\$ 417,684	\$1,158,183	\$128,000	\$848,865	\$2,552,732
Additions	-	37,689	-	18,118	55,807
Depreciate	-	1,8459	-	-	(8,459)
Balance at December 31, 2000	<u>\$ 417,684</u>	<u>\$1,175,624</u>	<u>\$128,000</u>	<u>\$866,983</u>	<u>\$2,588,291</u>

6. COMPENSATED ABSENCES

At December 31, 2000 employees of the District have accumulated and vested \$ 73,114 of vacation benefits and "comp. time", which was accumulated in accordance with QA/SB Certification Section C30. This amount is recorded within the general long-term debt account group.

7. PROPERTY TAX REVENUES

The Sheriff of East Baton Rouge Parish, as provided by LRS 33-1433, is the official tax collector of general property taxes levied by the Parish and Parish Special Districts. By agreement, the Sheriff is also the tax collector for City property taxes for which he receives a commission of 4.5% of total taxes collected for the City. Devolution tax collections remitted to the District by the Sheriff in January are reported as "Due from other governmental units".

The 2000 property tax calendar is as follows:

Levy date	August 9, 2000
Billings sent adopted	August 9, 2000
Tax Notices Mailed	November 14, 2000
Due date	December 31, 2000
Lien date	January 1, 2001

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, they bear interest at the rate of 1.25% per month until the taxes are paid. A lien notice is given to the delinquent taxpayers, the Sheriff is required to sell a portion or all of the property in which the taxes and interest owed. Therefore, a substantial portion of the taxes are collected by year-end.

An allowance for uncollectible taxes is deducted from the gross taxes assessed and recorded in the current year. Uncollectible taxes are those taxes which, based on historical data, are not expected to be collected in the subsequent year and are primarily due to subsequent adjustments of the tax rolls. All of the net taxes receivable at the end of the year are considered available. Available means due, or paid due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. (Property taxes are considered available because they are substantially collected within 60 days subsequent to year-end.

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2000**

8. USER CHARGES

The District is empowered to assess a user charge of \$32 for each residential and commercial structure in the District. In years prior to 1990, user charges were considered measurable when collected because the District had no authority by which to enforce collection. During 1990, the District obtained the authority to assess fees on property for which the charges have not been paid. In April 1990, a levy was placed on all properties for which the user charges had not been paid from the inception of the charges in 1992. Accordingly service charges are now considered measurable in the calendar year of the assessment. Also, the entire assessed levy is estimate the uncollectible service charges is recorded as revenue in the current year. All of the net service charges receivable at the end of the year is considered available. Available means due, on past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period.

9. LEASES

The District maintains some trucks under capital lease as an asset and obligation in the accompanying financial statements. The obligations for these leases are recorded in the General Long-Term Debt Account Group. The following is a summary of lease minimum lease payments under these leases:

2001	\$67,117
2002	67,117
2003	67,117
2004	67,117
2005	67,117
Thereafter	67,117
Total Lease payments	368,800
Less: Amount representing interest	177,244
Present value of net minimum lease payments	<u>\$191,556</u>

The required payments on the capital lease obligation scheduled for 2001 on this lease total \$67,117. The interest portion and lease obligation portion of this payment is \$20,104 and \$46,013, respectively.

The District also has an operating lease on the building that houses one of the fire stations. The lease expires February 1, 2003. It also has a long-term lease on office equipment. The expenditures for these leases are recorded in the general fund. The following is a summary of the minimum lease payments under these leases:

2001	\$10,800
2002	9,721
2003	9,721
2004	8,663
2005	1,680
Total Minimum Payments	<u>\$39,585</u>

Rental expense on buildings and equipment totaled \$30,094 in 2000. Fire hydrant rental for the period was \$15,943.

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2008**

10. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions during the year:

	Compensated Absences	Net Pension Obligation	Capital Leases	Total
Balance at December 31, 2007	\$ 14,760	\$ 17,400	\$ 799,350	\$831,510
Adjustment of net pension obligation	-	(9,000)	-	(9,000)
Increase in compensated absences - 2008	18,428	-	-	18,428
Principal reduction on capital leases	-	-	(85,034)	(85,034)
Balance at December 31, 2008	\$ 33,188	\$ 8,400	\$ 714,316	\$795,904

11. LITIGATIONS AND CLAIMS

During the year the District was involved as a defendant in a personal injury lawsuit. Subsequent to year end, the lawsuit was settled for approximately \$13,000. The District carries insurance to cover the entire loss. Therefore no amounts are included in the accompanying financial statements.

12. PENSION PLAN

Employees' Retirement System of the City of Baton Rouge

The District, as well as covered employees, makes contributions to the Employees' Retirement System of the City of Baton Rouge, and the Parish of East Baton Rouge (Retirement System). This is a defined-benefit agent multiple-employer pension plan that provides retirement benefits for all full-time employees of the District, as well as the City-Parish, the East Baton Rouge Executive and Parks Commission, East Baton Rouge Parish Family Court Judicial Expense Fund, East Baton Rouge Parish Juvenile Court Judicial Expense Fund, and other East Baton Rouge Fire Protection Districts.

The Retirement System is reported as a blended component unit of the City-Parish as defined by Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity. Since the Retirement System is part of the City-Parish's reporting entity, its financial statements are included as a Pension Trust by the primary government.

The Board of Trustees of the Retirement System was created by the City of Baton Rouge and the Parish of East Baton Rouge (Plan of Governance) to administer the assets of the system, and is composed of seven members.

Four of the trustees are members of the Retirement System, two are selected from non-police and the department employees, and one trustee each is selected from the Police and Fire Departments. The remaining membership of the board consists of the Director of Finance, and two persons with business and accounting experience, appointed by the metropolitan Council. All administrative expenses of the Retirement System are paid from funds of the system, and the board issues its own financial statements on an annual basis. The financial report may be obtained by writing to:

**Rosey Elkins
Retirement Administrator
Employees' Retirement System
City of Baton Rouge, Parish of East Baton Rouge
P. O. Box 1479
Baton Rouge, Louisiana 70803-1471**

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2000**

12. PENSION PLAN (Continued)

Prior to 1999, any person who became a regular full-time employee of the District became a member of the Retirement System as a condition of employment. Those employees have remained participants in this plan. The ordinance in effect at December 31, 1996 states that an employee's benefit rights vest after the employee has been a member of the Retirement System for twelve years. Ordinance 10779 adopted in December 1998, and effective April 1997 amended this to read that the benefit right vest after the employee has been a member of the Retirement System for ten years. Benefit payments are classified into two distinct categories: full retirement benefits and minimum-eligibility benefits. Full retirement benefits are granted with twenty-five years service, regardless of age while minimum-eligibility benefits are granted at age 55 with ten years of service, or twenty years of service, regardless of age. Full retirement benefits are defined as 3% of average compensation times the number of years of service while minimum-eligibility benefits are defined as 1.5% of average compensation times the number of years of service. Average compensation is determined by the highest average compensation in thirty-six consecutive months. Benefits paid to employees shall not exceed 80% of average compensation. Benefits are reduced by 3% for each year below age 55, if not eligible for full retirement. The plan was last amended effective January 1, 1999 (Ordinance No. 10949 and 10950).

Funding Policy: Under the current plan, both employee and employer contributions are made to fund the system. Employees make a mandatory contribution of 9.5% of gross earnings while the 2000 employer contribution rates were as follows:

January 1 - May 31	16.17%
May 31 - August 31	9.17%
September 1 - December 31	11.89%

The pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and emp-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited/pensioned benefits, is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employer retirement systems and employees. Significant actuarial assumptions used include: (a) a rate of return on the investment of pension and future assets of 8.00% per year in 1999 and 7.00%, compounded annually, (b) projected salary increases of 4.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases based on seniority and merit, and (d) no post-retirement benefit increases. During 1999, the Retirement System implemented GASB 25. During 1998 the District implemented GASB 25.

On the December 31, 1999 financial statements of the Retirement System, the pension benefit obligation, determined through an actuarial valuation performed on January 1, 2000, was approximately \$777 million. The system's net assets (market value) available for benefits on that date was \$628 million, resulting in an over funded pension benefit obligation of \$149 million. The District's 1999 contribution represented less than 1% of total contributions acquired of all participating entities. For the year ended December 31, 1999, the total annual required and actual employer contributions were \$15,658,836 and \$10,416,071 respectively. The percentage contributed was 1.06%. The calculation of annual required contribution consists of \$6,896,836 of "normal cost" and \$8,762,040 of "amortization payment." For the year ended December 31, 2000, the annual required contribution is \$11,340,883 of which the "normal cost" is \$6,615,344 and the "amortization payment" is \$4,625,547.

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2008**

12. PENSION PLAN (Continued)

Additional information regarding the actuarial valuation is as follows:

Valuation Method:	Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability
Asset Valuation Method:	Market Value as of January 1, 1996. Beginning January 1, 1997, adjusted Market Value with 10% of unrealized gains (losses) recognized each year
Amortization Method:	Increasing 4% per year for first 10 years and level percent for the next 15 years
Remaining Amortization Period:	15 years

GAER 25 allows maximum acceptable amortization of the total unfunded actuarial liability over a period of 40 years. The System has approved a plan whereby the unfunded total actuarial liability is expected to be fully funded at the end of 36 years.

During 2008, the District contributed \$29,698 and the employees contributed \$18,900 on payroll of approximately \$99,800. Total Payroll for all employees totaled \$428,120 including \$17,000 in state supplemental pay.

Two years of information regarding the funding progress is included in the separately issued December 31, 2008 financial statements of the Retirement System. A copy of this report may be obtained from the Retirement System. The District does not guarantee the benefits granted by the system. The District had no employees on-line during 2008. There is no one entitled to receive benefits that are not yet receiving them.

The most current actuarial report, as of December 31, 1998, calculated the district's portion of the net pension obligation (NPO) of the plan to be approximately \$42,588. An decrease in the NPO was recorded in the long term debt account group during 2008, bringing the total NPO recorded as December 31, 2008 to \$8,636.

Three-Year Trend Information for the District

Fiscal Year	Actual Pension Cost	Actual Contributions	Increase (Decrease)
1997	28,272	24,033	3,897
1998	33,666	27,820	(2,082)
1999	27,188	33,728	(6,540)

The annual pension costs for 1999 consists of the following components:

Actuarially Recommended Contributions (ABC)	\$36,928
Interest on Net Pension Obligation	0,118
Adjustments to ABC	1,173
Annual Pension Costs	\$37,196

**Central Fire Protection District No. 4
City of Baton Rouge
Parish of East Baton Rouge**

**Notes to the Financial Statements
For the Year Ended December 31, 2008**

12. FIREFIGHTERS PLAN (Continued)

Firefighters' Retirement System Pension Plan

Plan Description. The District also contributes to the Firefighters' Retirement System Pension Plan (Plan), a non-sharing, multiple-employer, defined benefit pension plan. Any person who becomes a regular full-time employee of the District after 1994 becomes a member of this system. The retirement system was placed under the management of a board of trustees. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Firefighters' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the plan. This information may be obtained by writing to:

**Firefighters' Retirement System
P.O. Box 94991, Capital Station
Baton Rouge, LA 70824-9991**

Funding Policy. Plan members are required to contribute 8% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 9.8% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by the Board of Trustees. The District's contributions to the Plan for the year ending December 31, 2008 were \$6,832. Employee contributions to the Plan for the year ending December 31, 2008 were \$6,180.

13. DEFERRED COMPENSATION PLAN

The department has a deferred compensation plan established under Internal Revenue Code section 457. The plan covers substantially all employees. Participants elect to defer a portion of their salaries and there are no contributions made by the District. The amounts deferred from the employees' salaries are subject to the claims of general creditors of the District until the amounts are credited to the administration of the plan. The administration of the plan determines the costs of the plan assets, including the payment of benefits. The district has no additional fiduciary responsibility. Employee deferrals in 2008 totaled \$172.

14. SUPPLEMENTAL SALARIES

During the year, the full-time employees received additional pay in the amount of \$27,000 from the State of Louisiana. This amount was recorded as revenue as intergovernmental revenue. An offsetting expenditure was recorded in salaries and related benefits.

15. RELATED PARTY TRANSACTIONS

The minute clerk for the District's Board is the daughter-in-law of a Board member. While the Board member serves without compensation, the minute clerk received \$128 during the course of the year for her services.

16. CONTINGENT LIABILITY

The Firefighter's Retirement System (New York 12) is a "Non-Qualified Plan" under Internal Revenue Code. The District's contributions to this system have not been included in the taxable wages of the employees. This could subject the District to possible penalties as well as being required to meet appropriate taxes in the Internal Revenue Service. The potential tax liability is approximately \$2,000 as of December 31, 2009. There has been no communication from the Internal Revenue Service requiring the payment of these taxes. Therefore no amounts have been accrued in the accompanying financial statements.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF COMBINED UNIT
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Central Fire Protection District No. 4
Baton Rouge, Louisiana

I have audited the accompanying combined unit financial statements of the Central Fire Protection District No. 4, as of and for the year ended December 31, 2009 and have issued my report thereon dated March 31, 2010.

I have conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Central Fire Protection District No. 4's combined unit financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are detailed below:

I. Related Party Transaction

The minute clerk for the District's Board is the daughter-in-law of a Board member. While the Board serves without compensation, the minute clerk received \$128 during the course of the year for her services. This practice was stopped after June 2, 2009 after receiving a ruling from the Ethics board.

Management Response:

The District intends to comply fully with all directives received from the Ethics board.

II. Contributions to Non-qualified Retirement Plan

The District contributes to the State Firefighter's Retirement System on behalf of certain employees. Management has indicated that the Retirement System is not a "Qualified Plan". This could also result in a portion of the participants' withdrawals from the plan being subjected to income taxes. Further, the contributions are not included in the taxable wages of the employees. This could result in penalties being assessed by the Internal Revenue Service.

Management Response:

Management has requested that the State Firefighter's Retirement System make appropriate action in order to become a "Qualified Plan".

Summary of Prior Year Findings

- I. In the prior year, it was reported that the minutes clerk for the District's (Board) was the daughter-in-law of a Board member. As noted above, the District has complied with the Ethics Board ruling and corrected this practice.
- II. In the prior year, we reported one instance in which an employee was paid one-half hour more than the number of hours on his timesheet. We noted no such errors in the current year.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the component unit financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of internal control over financial reporting that, in my judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with the intentions of management in the component financial statements. Reportable conditions are described below:

Organizational Structure

The size of the District's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the Organization to provide oversight and independent review functions.

Management Response: The Board of Directors routinely reviews the financial reports and believes its level of oversight mitigates the need for additional segregation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements to amounts that would be material in relation to the component unit financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management, the Board of Commissioners and the Legislative Auditor of the State of Louisiana. This publication is not intended to limit the distribution of this report, which is a matter of public record.

 CPA 4074

March 21, 2008